Nordic Credit Rating

FINANCIAL INSTITUTION

Norway
8 Sep. 2026

Tinde Sparebank

Full Rating Report

LONG-TERM RATING

BBB+

OUTLOOK

Stable

SHORT-TERM RATING

N2

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RATING RATIONALE

Our 'BBB+' long-term issuer rating on Norway-based Tinde Sparebank reflects the bank's robust earnings, diversified funding sources and generally low risk appetite, despite temporarily higher merger costs and elevated credit losses. The bank demonstrates reliable access to capital market financing and maintains limited single-name concentrations among its loan and deposit customers. The merger has resulted in a stronger risk organisation, although the bank continues to address asset quality issues. As a member of the Eika Alliance, Tinde Sparebank benefits from product diversity, shared development costs and the ability to finance residential retail mortgage loans through the jointly owned Eika Boligkreditt AS.

The rating is constrained by elevated loss provisions and a relatively high proportion of non-performing loans compared to its peers. Geographic concentration in central and northern Møre og Romsdal county and modest growth in core municipalities also limit the rating. While the bank maintains a strong market position in its core areas, it faces significant competition from larger regional savings banks, particularly in Molde and Ålesund.

STABLE OUTLOOK

The stable outlook reflects our expectation that the bank's robust earnings and capital, diversified funding, solid liquidity and post-merger cost synergies will offset elevated corporate credit losses and strong competition in the bank's largest core markets. We believe that the bank will continue to resolve problem loans with the potential for further reserves into 2027. We also expect the bank to prioritise loan growth, resulting in a reduction in the Tier 1 capital ratio towards 21% by end 2028.

POTENTIAL POSITIVE RATING DRIVERS

- Improved credit quality metrics, with credit losses sustainably around 20bps and net Stage 3 loans below 1.5%; and
- Pre-provision income (PPI) to risk exposure amount (REA) above 2.5%, with a cost-to-income ratio below 50%; and
- The consolidated Tier 1 ratio sustainably above 21%.

POTENTIAL NEGATIVE RATING DRIVERS

- Credit quality metrics remain materially weaker than peers.
- Consolidated Tier 1 ratio sustainably below 18%, or capital ratios within 200bps of regulatory requirements.
- PPI to REA consistently below 2.0%.

Figure 1. Key credit metrics, 2022–2028e

%	2022	2023	2024	2025	2026e	2027e	2028e
Net interest margin	2.2	2.5	2.5	2.5	2.2	2.1	2.0
Pre-provision income/REA*	2.0	2.2	2.5	2.4	2.4	2.5	2.5
Cost-to-income	54.4	54.0	49.4	56.0	48.9	47.3	45.7
Return on ordinary equity	7.8	7.6	8.5	5.5	5.7	7.5	7.9
Loan losses/net loans	0.20	0.21	0.35	0.71	0.65	0.34	0.27
Net Stage 3/net loans	1.48	0.99	1.61	2.35	2.62	2.16	1.77
Tier 1 ratio*	19.7	19.9	20.5	22.4	21.9	21.4	21.1

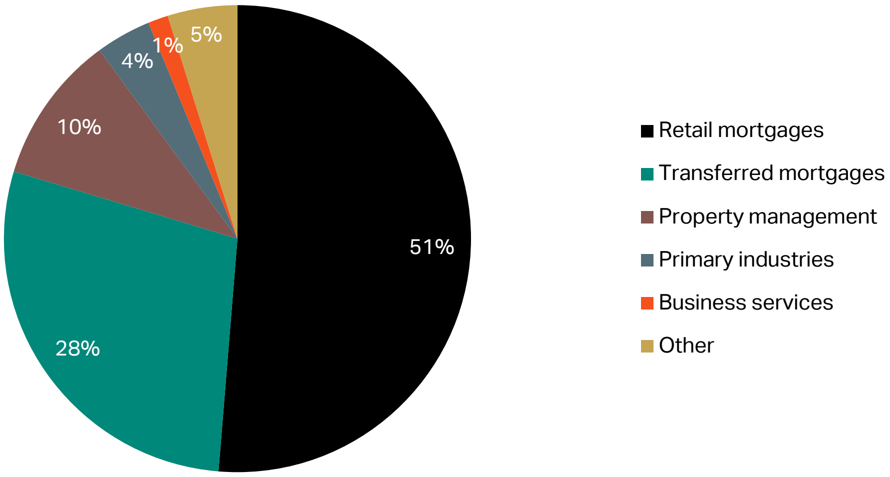
Source: company and NCR. e–estimate. REA–risk exposure amount. All metrics adjusted in line with NCR methodology. *Consolidated capital adequacy metrics.

ISSUER PROFILE

Tinde Sparebank was created on 2 June 2025, when Romsdal Sparebank and Sunndal Sparebank merged, but the bank can trace its history back to 1878. The bank's headquarters is in Elnesvågen in the municipality of Hustadvika and close to the city of Molde. With a total of 9 branches, its core markets cover the majority of Møre og Romsdal county. Tinde Sparebank provides traditional banking services to retail customers and SMEs. It also offers insurance and various savings products, as well as real estate brokerage through subsidiary and associated companies. As of 30 Jun. 2026, the bank had nearly NOK 17bn in gross loans (including loans transferred to Eika Boligkreditt).

Tinde Sparebank is a member of the Eika Alliance, an association of around 40 small and medium-sized Norwegian savings banks. The association enables product diversity and helps improve cost efficiency through the sharing of IT costs and joint efforts in risk management and compliance. It also provides the opportunity to finance residential mortgages via Eika Boligkreditt.

Figure 2. Gross loans by sector, 30 Jun. 2026



Source: company.

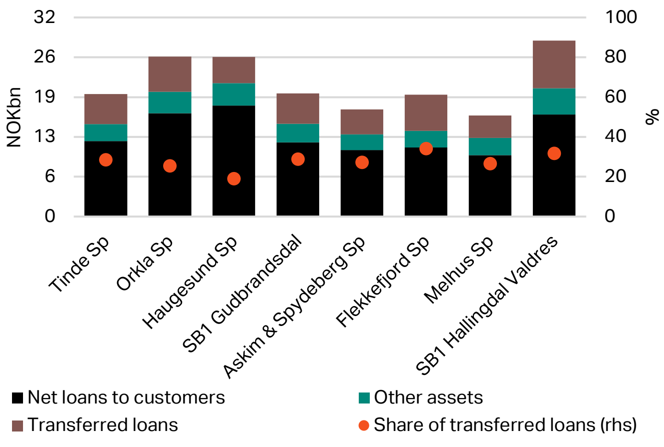
Competitive position

Increasing competition in Møre og Romsdal county

Tinde Sparebank was formed through the merger of two local savings banks, creating a regional bank that serves most of Møre og Romsdal county. The bank has a 5–7% market share across the county and is particularly strong in Hustadvika and Sunndal municipalities. Regional competition from Sparebanken Møre and SpareBank 1 SMN has intensified margin pressure. In addition, SpareBank Norge has increased its focus on the region and opened branches in Ålesund and Molde in recent years.

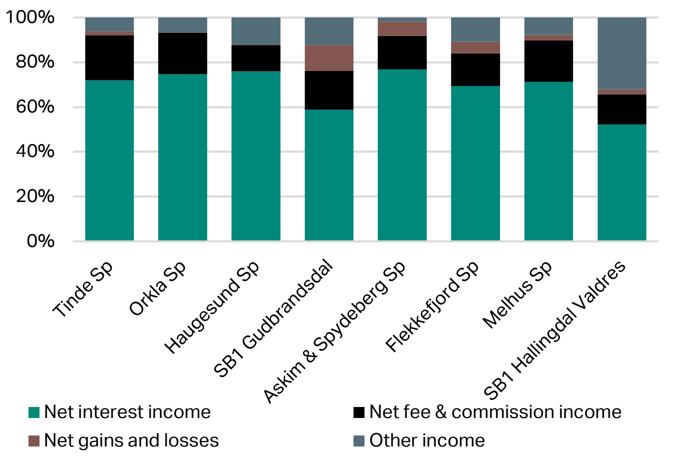
We view Tinde Sparebank's significant role and contributions in its local market as a positive rating factor. The bank supports social and cultural activities in its core markets, advances sustainability, and engages in community initiatives. Additionally, membership in the Eika Alliance diversifies revenues and allows the bank to offer a broader range of products and services than it could achieve independently.

Figure 3. Balance sheet volume comparison, Q2 2026



Source: companies.

Figure 4. Revenue source split comparison, Q2 2026 LTM



Source: companies.

Risk governance

Well established risk governance standards following the merger

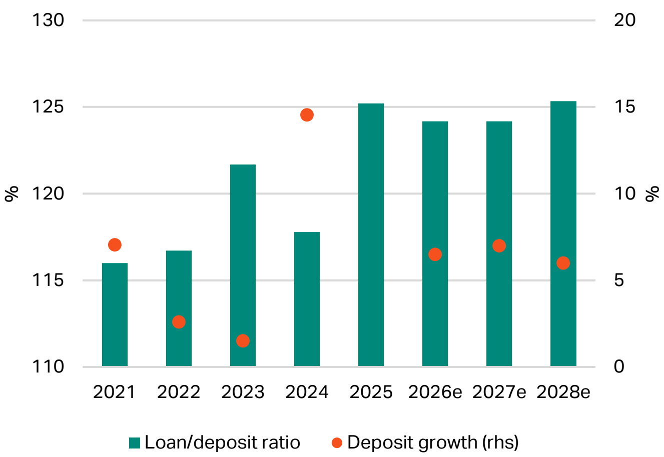
In our view, Tinde Sparebank's risk governance framework, risk appetite, limit monitoring, and risk reporting are appropriate for its balance sheet and risk profile. The merger has increased organisational depth through dedicated risk, AML and compliance resources that exceed those of similarly sized savings banks. In addition, the bank differentiates itself from smaller savings bank peers through its internal audit function, which acts as a third line of defence. We view the bank's management of environmental, social and governance (ESG) factors as satisfactory, given its size, complexity and impact.

Funding and liquidity

Diverse funding profile and debt maturity profile

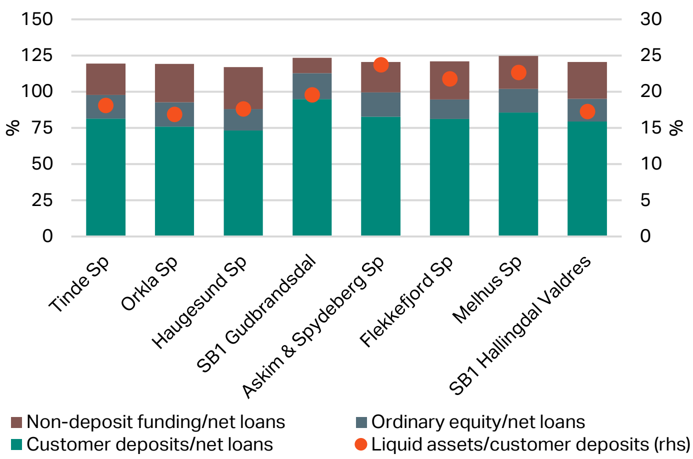
Tinde Sparebank maintains a diversified funding profile for its size, supported by a stable retail deposit base and regular access to capital markets. The loan-to-deposit ratio was 123% at 30 Jun. 2026, while LCR and NSFR were 401% and 128%, respectively, both well above regulatory requirements and internal limits. As of 30 Jun. 2026, Tinde Sparebank had outstanding senior bonds totalling NOK 2.6bn, including NOK 1.1bn issued under the bank's green bond framework. Bond maturities are evenly distributed through 2031. The high number of small bond issues and internal limits on annual and quarterly maturities help mitigate refinancing risk. The bank also benefits from Eika Boligkreditt, through which it finances 36% of its mortgage portfolio and has access to green funding.

Figure 5. Deposit metrics, 2021-2028e



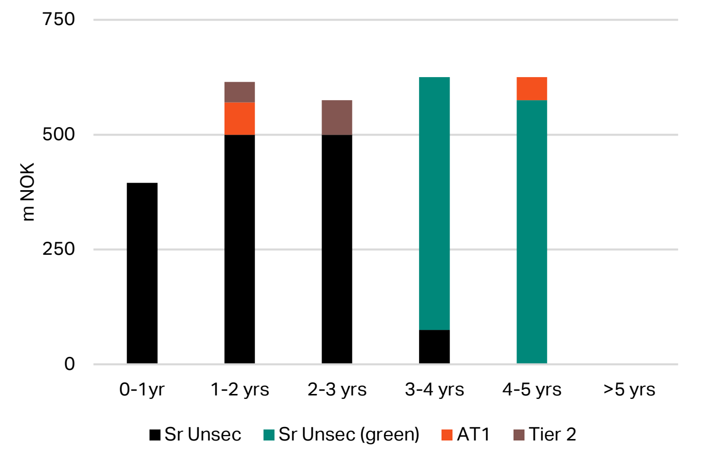
Source: company and NCR. e–estimate. 72% deposit growth in 2025 due to the merger.

Figure 6. Norwegian savings banks' funding profiles, 30 Jun. 2026



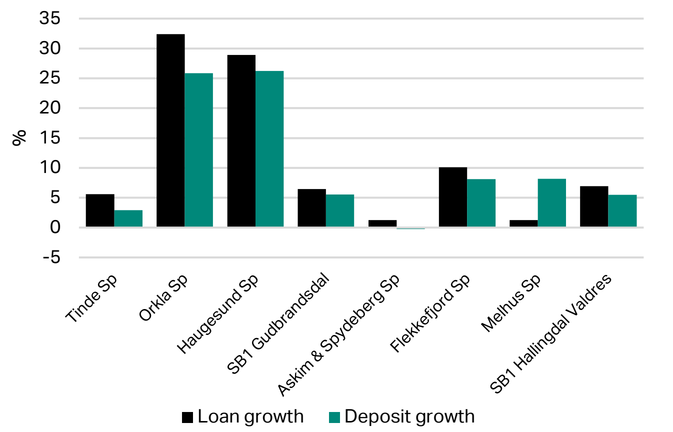
Source: companies.

Figure 7. Bond maturity profile, as of 30 Jun. 2026



Source: companies.

Figure 8. Norwegian savings banks' loan vs deposit growth, LTM to Q2 2026



Source: companies.

CREDIT RISK PROFILE

Operating environment

Modest growth in a region with diversified industries

We consider a balance of national and regional factors in our assessment of the operating environment. Despite a reversal in the rate path in 2026, we believe gradual rate cuts from 2027 are likely as inflationary pressures ease. Elevated rates continue to constrain credit growth, particularly in rate-sensitive segments, while strong competition and high deposit pass-through are expected to limit further margin upside. The Norwegian economy remains resilient, while risks are driven by persistent inflation, tighter financial conditions, and continued pressure on property-related sectors.

The operating region of Tinde Sparebank covers most of Møre og Romsdal but with a concentration in Romsdal in the central part of the county. About 60% of the county's population of 275,000 are located in the municipalities where the bank has branch offices.

Figure 9. Regional core characteristics

	Strengths	Weaknesses
Regional employment and economic diversity	Unemployment in line with domestic average or better; relatively high share of exports in a diverse region.	Some concentration on manufacturing sector and meaningful exposure to the more volatile seafood, maritime and offshore industries.
Expected population growth and credit demand	Population growth is below national averages; growth is primarily in Ålesund and Molde.	Stagnant or falling population growth in smaller municipalities.

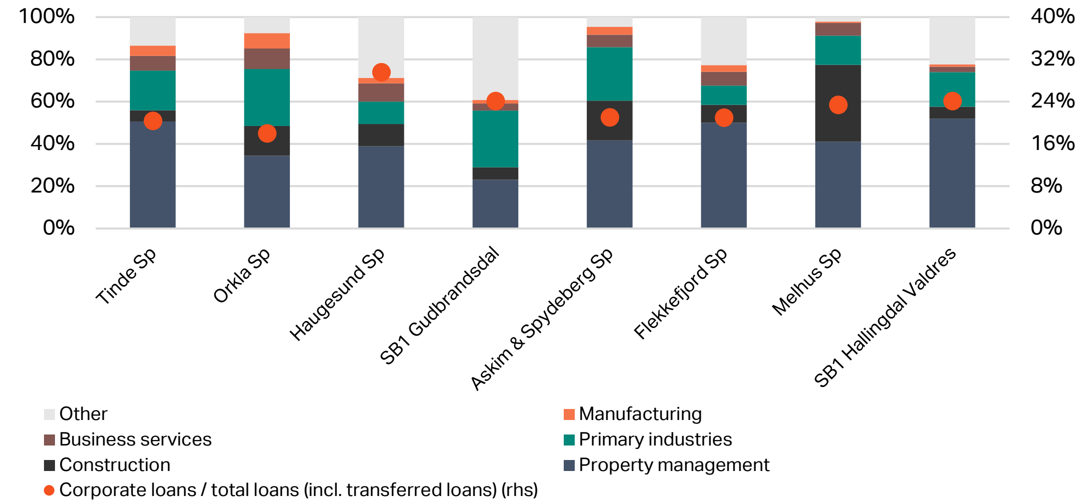
Credit and market risk

Credit risk is concentrated on regional mortgage lending

Tinde Sparebank's loan portfolio is regionally concentrated, with over 90% of gross loans located in Møre og Romsdal county. The bank maintains a low tolerance for single-name credit concentrations. The bank does not market lending outside its core markets, with external lending to customers that are primarily domestic migrants. Approximately 80% of exposures (including transferred loans) are to private and agricultural customers, secured by housing and agricultural properties. While these segments are considered low risk, the bank remains exposed to a material concentration of local borrowers and potential declines in property values.

Corporate customers accounted for 20% of loans, including transferred loans, as of 30 Jun. 2026. This has fallen over the last year as the bank has reduced corporate lending and reported growth in the retail portfolio. More than half of this corporate exposure is to commercial real estate and construction, which has driven the bank's recent increase in credit losses. Given persistent inflation and higher than expected interest rates, we remain concerned about real estate development lending, given the impact of high interest costs and a weak property market on demand for newly built homes.

Figure 10. Norwegian savings banks' corporate loans by sector, 30 Jun. 2026



Source: companies. Gross corporate lending only.

Tinde Sparebank increased total net lending by 1.9% over the past 12 months, comprising a 5.6% rise on its own balance sheet and a 6.3% decline in loans transferred to Eika Boligkreditt. On balance retail loans grew 8.6%, while corporate lending volumes declined 0.4%. Our forecast assumes an on-balance sheet loan growth of just above 7% from mid-year 2026 through 2028, with a slightly higher volume of household exposures than corporate lending. We also expect transferred loans to grow by about 7.5% annually from mid-year 2026, resulting in a combined loan book of over NOK 20bn in 2028.

Tinde Sparebank had transferred loans totalling NOK 4.8bn as of 30 Jun. 2026. We note that the bank retains the associated risk and is expected to repurchase all non-performing loans to allow Eika Boligkreditt to maintain a clean cover pool. Tinde Sparebank has consistently accepted repatriated loans; however, if repatriation is not possible, the bank guarantees 1% of transferred loans and covers 80% of any net loss incurred by Eika Boligkreditt through a loss guarantee. The bank is also jointly liable with other Eika Alliance banks for losses not covered by the guarantee. Due to the high credit quality of transferred loans and repatriation agreements, Eika Boligkreditt has not incurred actual credit losses.

We do not consider market risk to be material for Tinde Sparebank, given the absence of a trading portfolio and low limits on interest rate and currency risk.

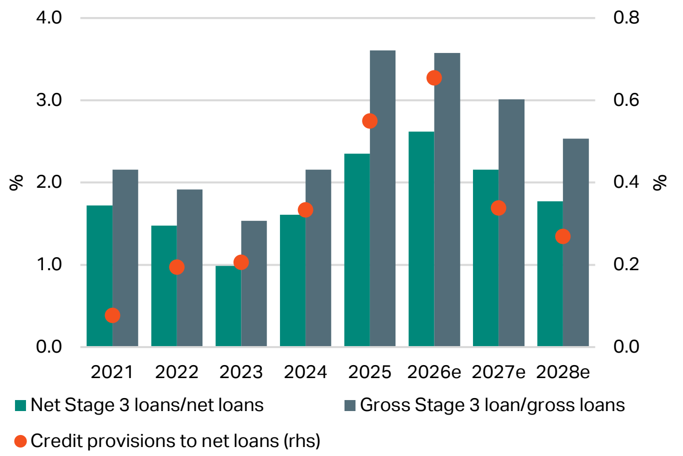
High credit losses reflect a small number of property developers

Loss performance

Asset quality remains a key rating constraint. Loan losses over the last four quarters were approximately 93bps of average net loans as of 30 Jun. 2026, significantly above historical levels and peer averages. These losses are primarily associated with a small number of real estate developers and do not indicate a material weakening in the overall portfolio. Nonetheless, we project loan losses to halve in 2027 and begin to normalise in 2028 as the bank resolves specific cases.

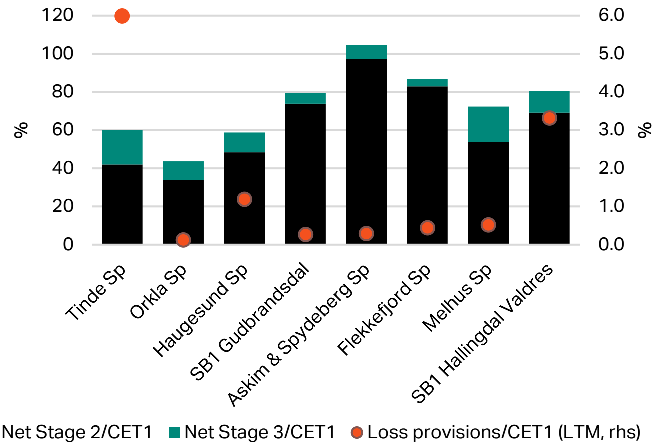
Tinde Sparebank has increased net stage 3 loans to 2.7% at 30 Jun. 2026 and has a higher ratio in terms of loans and CET1 capital than its peer group (see Figures 11-12). We expect asset quality to improve gradually as the bank works through its problem loans.

Figure 11. Asset quality metrics, 2021–2028e



Source: company and NCR. e–estimate.

Figure 12. Asset quality in relation to capitalisation, 30 Jun. 2026



Source: companies. CET1-Common Equity Tier 1. LTM-last twelve months.

CAPITAL GENERATION

Capital

Capital ratios expected to decline due to loan growth and dividend policy

Our capital assessment considers Tinde Sparebank's consolidated capital position, including its proportionate holdings in Eika Gruppen and Eika Boligkreditt. The bank's consolidated CET1 ratio was 20.7% and its Tier 1 ratio was 22.3% (excluding 0.2pp as 50% of current year profits) as of 30 Jun. 2026, providing a substantial buffer above management targets of 16.5% and 18.4%, respectively. At the same time, the consolidated leverage ratio was 9.5%, versus a regulatory minimum of 3%.

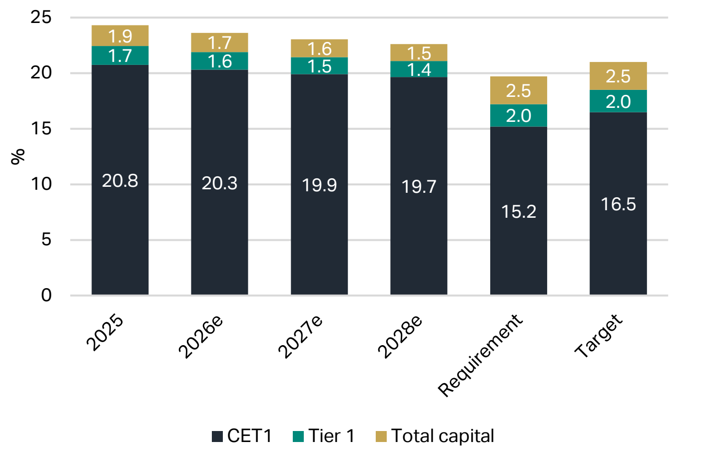
The bank's capital ratios were boosted by CRR3, which reduced risk-weighted assets and improved capital flexibility, however, we expect the Tier 1 ratio to fall due to strong growth and dividend payments, but to remain above 21% by end-2028.

Figure 13. Capital projection assumptions

%	2026e	2027e	2028e
Net interest margin	2.2	2.1	2.0
Loan growth	5.6	7.0	7.0
Return on equity	5.7	7.5	7.9
Dividend/gift rate (to ECC-holders)	35.0	35.0	35.0
Equity certificate ratio	35.6	35.6	35.6

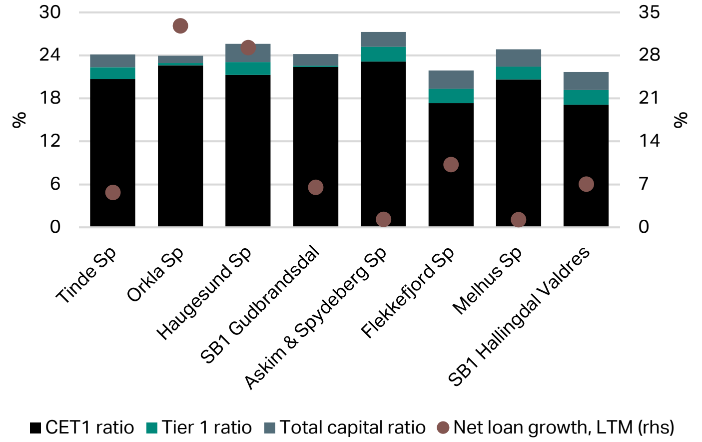
Source: NCR. e–estimate. All metrics adjusted in line with NCR methodology.

Figure 14. Forecast capital ratios vs. requirements, 2025–2028e



Source: company and NCR. e–estimate. Pillar 2 requirement (P2R) of 2.2%.

Figure 15. Norwegian savings banks' capital ratios and loan growth, 30 Jun. 2026



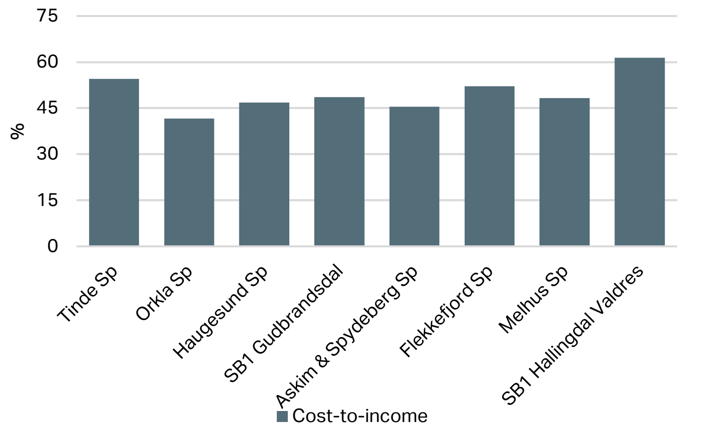
Source: companies.

Earnings

Tinde Sparebank, and Sunndal Sparebank before the merger, improved its earnings as interest rates and net interest margins rose dramatically in 2023. From 2023 to 2025, the bank's net interest margin was around 2.5%, however, increased competitive pressure has resulted in a significant decline in margins in 2026 to 2.1% in the first half of 2026. We expect potential interest rate cuts and increased competition from larger regional banks to continue to pressure margins through 2028. Lower mortgage margins are also likely to reduce fee and dividend income from Eika Boligkreditt.

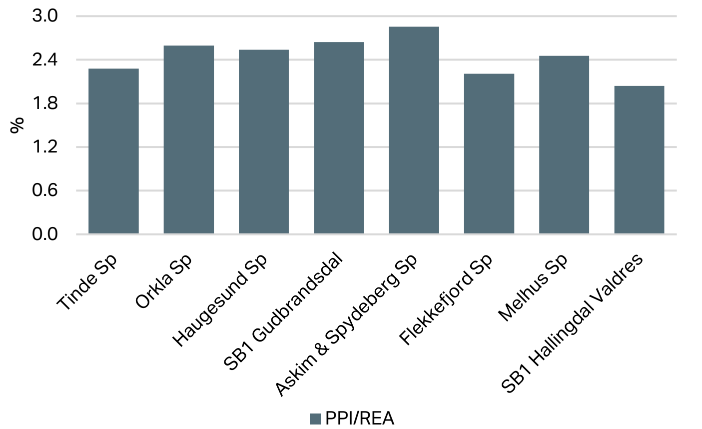
Weaker net interest margins will slow the ongoing improvement in the bank's cost efficiency following the merger. While we believe that Tinde Sparebank's cost-to-income ratio peaked at 56% in 2025, we anticipate a steady improvement towards 45% in 2028. We forecast that the bank will maintain a stable consolidated PPI to REA of around 2.2% through 2028, with an increase dependent on capitalising on further synergies. The bank has financial targets of a 10% return on ordinary equity and a cost-to-income ratio below 40%, but we do not expect these levels to be achieved by the end of 2028.

Figure 16. Norwegian savings banks' cost efficiency metrics, LTM to 30 Jun. 2026



Source: companies. LTM-last twelve months. Core represents net interest income and net fee & commission income.

Figure 17. Norwegian savings banks' PPI to REA, LTM to 30 Jun. 2026



Source: companies.

SUPPORT ANALYSIS

We do not adjust the rating on Tinde Sparebank to reflect expectations of additional support as we see limited potential for extraordinary support from the ECC owners. The bank's ECCs are publicly listed and consequently the bank has ready access to the equity market. As of 30 Jun. 2026, around 36% of the bank's equity was owned by ECC holders, while the remainder was ownerless capital.

Figure 18. Largest owners as of 30 Jun. 2026

	Share of ECCs (%)
VPF Eika Egenkapitalbevis	4.2
Kommunal Landspensjonskasse Gjensidige	2.6
Oskar Sylte Invest AS	2.3

Source: company.

ISSUE AND SHORT-TERM RATINGS

Figure 19. Issue and short-term ratings

	Rating
Senior unsecured	BBB+
Tier 2	BBB
Additional Tier 1	BB+
Short-term rating	N2; strong due to LCR above 150% over the last four quarters.

Short-term and issue ratings are mapped to the long-term issuer rating, in accordance with our Financial Institutions Rating Methodology. In cases where two alternatives for short-term ratings are possible, the short-term rating is assigned based on liquidity being strong, adequate, or weak, as applicable. See definitions in the methodology.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE FACTORS

We consider ESG factors throughout our analysis, when they are material to our credit assessment.

Figure 20. Priority ESG factors

Issue/area	Risk/opportunity	Impacted subsections (impact on credit assessment*)
Physical climate risk to collateral	Climate-related damage to real-estate collateral. Longer-term effects on market values in flood risk areas.	Credit risk (-) Loss performance (0)
Social engagement in the community	Close connection to narrow market and local communities improves loyalty.	Competitive position (+)
Anti-money laundering capacity	Risk of sanctions and fraud due to insufficient reviews of customers.	Risk governance (0)
Control of sustainability issues	Risk of overlooking sustainability impacts in the bank's underwriting, operations, and customer base.	Risk governance (0) Credit risk (0)

*Defined on a 5-step scale ranging from double minus (--) to double plus (++), with (--) representing the most negative impact and (++) the most positive.

METHODOLOGIES USED

(i) Financial Institutions Rating Methodology, 12 May 2025.
(ii) Rating Principles, 14 Feb. 2024.
(iii) Group and Government Support Rating Methodology, 14 Feb. 2024.

RELEVANT RESEARCH

(i) Kapitalstarka sparbanker – tillväxten hänger på efterfrågan, 7 May 2026
(ii) Nordic corporates well prepared for improving demand in 2026, 14 Jan. 2026
(iii) Nordic niche banks focus on optimisation and scalability in 2026, 13 Jan. 2026
(iv) Swedish savings banks face little drama in 2026, 12 Jan. 2026
(v) Capital strength sets Norwegian savings banks up for 2026 growth, 9 Jan. 2026

Figure 21. Tinde Sparebank key financial data, 2022–Q2 2026 YTD

Key credit metrics (%)	FY 2022	FY 2023	FY 2024	FY 2025	Q2 2026 YTD
INCOME COMPOSITION					
Net interest income to op. revenue	75.0	83.1	78.2	74.5	68.3
Net fee income to op. revenue	18.3	16.7	18.2	19.1	19.4
Net gains and losses/operating revenue	-1.3	-5.9	-0.6	1.3	2.6
Net other income to op. revenue	8.0	6.0	4.2	5.2	9.8
EARNINGS					
Net interest income to financial assets	2.2	2.5	2.5	2.5	2.1
Net interest income to net loans	2.6	3.0	3.0	3.0	2.5
Pre-provision income to REA	2.4	2.7	3.1	2.8	3.0
Core pre-provision income to REA (NII & NF&C)	2.1	2.7	2.8	2.4	2.3
Return on ordinary equity	7.8	7.6	8.5	5.5	3.9
Return on assets	0.9	0.9	1.1	0.7	0.5
Cost-to-income ratio	54.4	54.0	49.4	56.0	49.2
Core cost-to-income ratio (NII & NF&C)	58.3	54.0	51.3	59.9	56.1
CAPITAL					
CET1 ratio	17.6	17.7	22.2	25.0	24.7
Tier 1 ratio	19.7	19.6	23.9	26.6	26.3
Capital ratio	21.0	20.8	24.9	28.2	27.9
REA to assets	50.4	51.0	54.8	51.3	50.6
Dividend payout ratio	29.7	28.1	23.3	31.4	43.0
Leverage ratio	9.8	10.0	12.3	12.9	12.6
Consolidated CET1 ratio	17.7	18.0	18.8	20.8	20.7
Consolidated Tier 1 ratio	19.7	19.9	20.5	22.4	22.3
Consolidated Capital ratio	21.2	21.3	21.7	24.3	24.1
Consolidated Leverage ratio	9.1	9.4	9.9	9.5	9.4
GROWTH					
Asset growth	3.4	5.7	11.3	83.6	2.2
Loan growth	3.2	5.8	10.9	83.1	1.9
Deposit growth	2.6	1.5	14.5	72.3	3.9
LOSS PERFORMANCE					
Credit provisions to net loans	0.20	0.21	0.35	0.71	1.10
Stage 3 coverage ratio	23.46	36.15	25.89	35.79	27.51
Stage 3 loans to gross loans	1.92	1.54	2.16	3.61	3.71
Net stage 3 loans to net loans	1.48	0.99	1.61	2.35	2.72
Net stage 3 loans/ordinary equity	10.01	6.61	10.39	13.96	16.59
FUNDING & LIQUIDITY					
Loan to deposit ratio	116.7	121.7	117.8	125.2	122.7
Liquid assets to deposit ratio	17.0	17.2	17.8	16.9	18.1
Net stable funding ratio	135.0	137.0	133.7	128.0	128.0
Liquidity coverage ratio	239.0	270.0	181.0	229.0	401.0

Key financials (NOKm)	FY 2022	FY 2023	FY 2024	FY 2025	Q2 2026 YTD
BALANCE SHEET					
Total assets	6,724	7,105	7,904	14,515	14,840
Total tangible assets	6,724	7,105	7,904	14,415	14,741
Total financial assets	6,669	7,049	7,844	14,261	14,625
Net loans and advances to customers	5,534	5,857	6,494	11,891	12,112
Liquid assets	806	826	980	1,600	1,786
Customer deposits	4,742	4,813	5,513	9,497	9,868
Issued securities	994	1,247	1,210	2,708	2,737
of which other senior debt	948	1,202	1,165	2,587	2,616
of which subordinated debt	45	45	45	121	121
Total equity	887	944	1,077	2,122	2,122
of which ordinary equity	817	874	1,007	2,002	1,984
CAPITAL					
Common equity tier 1	597	639	963	1,860	1,853
Tier 1	667	709	1,032	1,980	1,973
Total capital	712	754	1,077	2,100	2,093
REA	3,392	3,621	4,328	7,447	7,512
INCOME STATEMENT					
Operating revenues	188	208	241	376	220
Pre-provision operating profit	86	96	122	165	112
Impairments	11	12	22	65	66
Net Income	61	64	80	83	39

Source: company. FY–full year. YTD–year to date.

Figure 22. Tinde Sparebank rating scorecard

Subfactors	Impact	Score
National banking environment	10.0%	a
Sector exposure assessment	-	-
Regional assessment	10.0%	bbb
Cross border assessment	-	-
Operating environment	20.0%	bbb+
Risk governance	7.5%	a-
Capital	17.5%	a+
Funding and liquidity	15.0%	a
Credit and market risk	10.0%	bbb-
Risk appetite	50.0%	a-
Competitive position	15.0%	bb+
Earnings	7.5%	a-
Loss performance	7.5%	bbb-
Performance indicators	15.0%	bbb
Indicative credit assessment		**bbb+**
Peer comparison		Neutral
Transitions		Neutral
Borderline assessments		Neutral
Stand-alone credit assessment		**bbb+**
Ownership		Neutral
Capital structure protection		Neutral
Rating caps		Neutral
Issuer rating		**BBB+**
Outlook		Stable
Short-term rating		**N2**

Figure 23. Capital structure ratings

Seniority	Rating
Senior unsecured	BBB+
Tier 2	BBB
Additional Tier 1	BB+

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